



April 25, 2014

To: Executive Board

Subject: **April Legislative Summary**

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### **Recommendation**

Receive and file the April Legislative Summary. Adopt support positions on SB 1204 and H.R. 3636.

### **Background**

A summary of state and federal legislation and its status is attached. Board members should note that staff recommends **support positions on SB 1204 (Lara) and H.R. 3636 (Blumenauer)**.

### ***State Legislative Issues:***

SB 1204 would create a program to fund the development of zero and near zero emission truck, bus, and off-road vehicle and equipment technologies to be administered by the Air Resources Board in conjunction with the California Energy Commission. The bill would provide that the funding for the program would come out of the Greenhouse Gas Reduction Fund (Cap & Trade Auction Funds), and would prioritize projects located in disadvantaged communities. This bill may provide a new funding source for Foothill Transit electric and CNG buses.

As the 2014 Legislative Session presses on, the Senate and Assembly Budget Subcommittees on Transportation are now in full swing, hearing several of the Governor's transportation-related budget proposals. These proposals have included the appropriation of the remaining Proposition 1B Public Transportation Modernization, Improvement, and Service Enhancement Account (PTMISEA) funds, the early repayment of loans from the Highway Users Tax Account, and cap-and-trade funding for sustainable communities, rail modernization, and high-speed rail.

Both the Senate Budget Subcommittee No. 2 (Beall, Chair) and the Assembly Budget Subcommittee No. 3 (Bloom, Chair) approved the Governor's request to appropriate \$953 million in remaining PTMISEA funds for transit and intercity rail. However, both subcommittees, after hearing from impacted departments and agencies, as well as stakeholder groups, took no action on the cap-and-trade program. As the budget process moves forward, cap-and-trade will remain at the center of the budget discussion. California Transit Association (CTA) staff testified at each subcommittee hearing thus far and will continue to engage members of the Legislature and the Administration on the CTA's position regarding cap-and-trade, in addition to other outstanding budget items.



***Federal Legislative Issues:***

Our transportation infrastructure is increasingly outdated and inadequate. In 2011, the Federal Highway Administration (FHWA) estimated that over \$70.9 billion worth of repairs are needed merely to maintain safe bridges. Inflation and increased fuel efficiency has led to declining gas tax receipts and the gas tax has lost nearly 40 percent of its purchasing power since it was last raised in 1993. The decline will continue as cars become more efficient and people drive less. Vehicle miles traveled per capita declined last year for the ninth year in a row. Because Congress has not addressed the Highway Trust Fund's (HTF) insolvency, the fund will be exhausted this summer and states will begin cutting back on projects. To maintain current funding levels, the HTF will need \$100 billion in addition to current tax receipts in the next five years. Failure to act will result in a 30 percent reduction in federal transportation spending over the next decade. H.R. 3636, "The Update, Promote, and Develop America's Transportation Essentials Act of 2013", phases in a \$0.15 gas tax increase over three years, indexes the gas tax to inflation and then confirms Congress' intention to replace the gas tax with a more equitable, stable source of funding by 2024.

Senate Finance Committee Chairman Ron Wyden (D-OR) and Ranking Member Orrin Hatch (R-UT) held a hearing to mark up the Expiring Provisions Improvement Reform and Efficiency (EXPIRE) Act. With bipartisan approval, the measure was successfully advanced and voted out of committee. The EXPIRE Act includes a two-year extension of both the transit commuter benefit and the alternative fuels tax credit. The EXPIRE Act would extend, through 2015, the previous increase in the monthly employer-provided transit and vanpool benefits. With the expiration of the transit commuter benefit on Dec. 31, 2013, the benefit dropped to \$130 from \$250. This legislation would restore it to \$250, per month, at parity with the parking benefit, and make it retroactive to Jan. 1, 2014. The \$0.50-per-gallon alternative fuel tax credit and alternative fuel mixture tax credit would be extended through 2015. Of great importance to Foothill Transit, this credit can be claimed as a non-refundable excise tax credit or a refundable income tax credit for the blending and sale of alternative fuel mixtures including compressed or liquefied natural gas, ethanol, biofuels, and liquefied hydrogen.

The leaders of the Senate Committee on Environment and Public Works (EPW) and its transportation panel held a joint press conference to make "a major announcement" about reauthorizing MAP-21, which expires at the end of September. The senators did not unveil a legislative text, but did announce they hoped to move a bill to the floor this summer. EPW Chair Barbara Boxer and ranking member David Vitter joined House T&I Subcommittee Chair Tom Carper and top Republican John Barrasso for the announcement. Senator Boxer also indicated she has discussed her plans with the leaders of both the Senate Committee on Banking, Housing and Urban Affairs, and the Senate Committee on Commerce, Science, and Transportation. With the Highway Trust Fund set to go broke in a few short months, any news of progress on a



comprehensive policy bill would be welcomed by a transportation industry anxiously awaiting congressional action.

**Budget Impact**

SB 1204 may provide a new funding source for Foothill Transit electric and CNG buses.

Sincerely,

A handwritten signature in blue ink, appearing to read "David Reyno".

David Reyno  
Director of Government Relations

A handwritten signature in blue ink, appearing to read "Doran J. Barnes".  
Doran J. Barnes  
Executive Director

# 2014 Legislation Summary

Current as of 4/11/2014

(Amendments and Bills with updated status or requesting action are indicated in **bold**)

Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 5	Ammiano	The bill would enact the Homeless Person's Bill of Rights and Fairness Act. The bill would establish a number of rights for every person in the state, including those who are considered homeless including the right to move freely in the same manner as any other person in public spaces, including, but not limited to, plazas, parking lots, public sidewalks, public parks, public transportation, public streets, and public buildings, in the same manner as any other person, and without discrimination by law enforcement, public or private security personnel and the right to rest and sleep in public spaces without being subject to criminal or civil sanctions, harassment, or arrest by law enforcement, public or private security personnel as long as such rest does not maliciously or substantially obstruct a passageway. The purpose of the bill is to protect people without homes from violations of their basic human rights and the people who serve them from penalties and includes public transportation in its definition of public space.	The bill would mean that the homeless could freely loiter or sleep in a Foothill Transit parking structure or sleep on a Foothill Transit bus stop bench without any legal remedy.	Failed to Pass out of House of Origin by January 31 Legislative Deadline	CTA - Oppose	Oppose Position Adopted 5/24/2013
AB 8	Perea/Skinner	Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. AB 8 and SB 11 extends alternative fuel incentive programs including the Carl Moyer and AB 118 programs. These programs, which have been funded by tire fees, DMV registration fees, smog abatement fees, and vehicle plate fees, have provided funds for various projects to increase the usage of alternative fuels and help with the expansion of alternative fuel infrastructure.	The bill's passage would mean funds will continue to be available to assist Foothill Transit and other state transit agencies financially with fleets of natural gas vehicles and the infrastructure needed to maintain them.	Signed by the Governor & Chaptered by the Secretary of State - 9/28/2013	CTA - Support	Support Position Adopted 2/22/2013
AB 574	Lowenthal	The bill establishes a program to fund sustainable communities strategies (developed pursuant to SB 375) as well as equivalent greenhouse gas (GHG) reducing strategies in rural areas, using cap and trade auction proceeds. The bill provides a statutory framework for implementing the sustainable communities allocations from cap and trade revenues, including key elements such as a per capita distribution of funds to California's regions, a competitive grant program guided by state policy objectives aligning with regional GHG reduction, and a performance-based approach to maximize investments. Additionally, the bill specifically includes funding for transit operations, maintenance, and infrastructure among the eligible investments for the funds.	This bill would provide a mechanism for which the transit industry and Foothill Transit would receive its fair share of the cap and trade auction proceeds.	Failed to Pass out of House of Origin by January 31 Legislative Deadline	CTA - Support	Support Position Adopted 4/26/2013

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Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 1002	Bloom	Existing law imposes a registration fee to be paid to the Department of Motor Vehicles (DMV) for the registration of every vehicle or trailer coach of a type subject to registration, except those vehicles that are expressly exempted from the payment of registration fees. Existing law, until January 1, 2016, imposes a \$3 increase on that fee, \$2 of which is to be deposited into the Alternative and Renewable Fuel and Vehicle Technology Fund and \$1 of which is to be deposited into the Enhanced Fleet Modernization Subaccount. AB 1002 would raise the existing vehicle surcharge from its current \$4 to \$10. The funds would be distributed by the following breakdowns for cities to better achieve their SB 375 goals: 50% is proposed to be distributed to cities and counties on a per capita basis for planning and implementation of projects consistent with the purposes of SB 375 and an approved Sustainable Communities Plan. 40% is proposed to be distributed to transportation commissions and transit operators to support transit operations, and maintain and expand reduced fare programs, including transit passes for students, low income youth, seniors and persons with disabilities. 10% to MPO's and Regional Transportation Planning Associations for implementation of sustainable communities strategies.	This bill could provide Foothill Transit with additional operating funds, specifically for fare programs, including our college ridership pass program.	Failed to Pass out of House of Origin by January 31 Legislative Deadline	CTA - Support	Support Position Adopted 6/28/2013
AB 1257	Bocanegra	The bill will establish the State Energy Resources Conservation and Development Commission (Energy Commission) to thoughtfully evaluate and recommend the right natural gas strategies to further reduce greenhouse gas emissions and cultivate a robust clean energy economy. A declaration would be made with the passage of this legislation that there will be a state policy to reduce greenhouse gas emissions and that an efficient and effective strategy for the use of natural gas has potential for helping to meet these objectives. The Committee will develop strategies to maximize the benefits obtained from natural gas as an energy source. The Energy Commission will review many uses for natural gas, specifically the Commission will identify methods to increase the development of natural gas refueling infrastructure for transportation and protect against system capacity constraints.	The bill's passage will create an Energy Commission that will increase government participation in the creation and maintenance of a natural gas policy for the state.	Signed by the Governor & Chaptered by the Secretary of State - 10/11/2013		Support Position Adopted 3/29/2013
AB 1720	Bloom	Current law generally prohibits a publicly owned or operated transit system from procuring a transit bus whose gross weight on any single axle exceeds 20,500 pounds. Current law, until January 1, 2015, exempts from this prohibition a transit system that is procuring a new bus that is of the same or lesser weight than the bus it is replacing, or if it is incorporating a new fleet class into its inventory and its governing board makes certain findings. AB 1706 would extend the operation of those exceptions until January 1, 2016.	The majority of Foothill Transit's fleet, along with those of most, if not all, transit agencies throughout the state exceeds this over quarter century old statute due to mandated clean air, safety, disability laws and advances in bus technology. This bill will continue to protect us from being subject to citations and costly permits until a reasonable solution can be determined.	Assembly Committee on Transportation	CTA - Support	<b>Support Position Adopted 3/21/2014</b>

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Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
AB 2445	Chau	Would specify that a community college district is authorized to enter into a contract for the transportation services described above if a majority of the students of that district, or campus of that district, as appropriate, approve the payment of the fee within the same time period.	This bill would provide greater flexibility for the governing board of community college districts, and more specifically, individual community college campuses, to provide for increased transit services at the discretion of its student body and important to the ongoing success of Foothill Transit's College Pass Program.	<b>Assembly Floor</b>	CTA - Support	<b>Support Position Adopted 3/21/2014</b>
SB 11	Pavley/Rubio	Existing law establishes the Alternative and Renewable Fuel and Vehicle Technology Program, administered by the State Energy Resources Conservation and Development Commission to provide, upon appropriation by the Legislature, grants, loans, loan guarantees, revolving loans, or other appropriate measures, for the development and deployment of innovative technologies that would transform California's fuel and vehicle types to help attain the state's climate change goals. AB 8 and SB 11 extends alternative fuel incentive programs including the Carl Moyer and AB 118 programs. These programs, which have been funded by tire fees, DMV registration fees, smog abatement fees, and vehicle plate fees, have provided funds for various projects to increase the usage of alternative fuels and help with the expansion of alternative fuel infrastructure.	The bill's passage would mean funds will continue to be available to assist Foothill Transit and other state transit agencies financially with fleets of natural gas vehicles and the infrastructure needed to maintain them.	Assembly Committee on Transportation	CTA - Support	Support Position Adopted 2/22/2013
SB 556	Corbett	This bill would require public agencies, including public transit systems, to "label" employees and vehicles which are independent contractors or operated by independent contractors with a "NOT A GOVERNMENT EMPLOYEE" or "THE OPERATOR OF THIS VEHICLE IS NOT A GOVERNMENT EMPLOYEE" disclosure.	Foothill Transit along with many transit systems throughout the state utilize independent, outside contractors to provide transit service, such as drivers/operators for buses and rail vehicles. This bill would place a financial burden on both transit systems and the independent contractors in order to meet the disclosure requirement. Furthermore, the bill would potentially have a detrimental impact to public perception, internally and externally. Transit systems aim to provide a sense of inclusiveness for employees and the "nongovernmental employee" disclosure may affect morale among employees by creating a sense of division. Secondly, the disclosure requirement would likely cause confusion to the public. Transit patrons may mistakenly perceive that operators and	Assembly Inactive File	CTA – Oppose	Oppose Position Adopted 7/26/2013

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Bill No.	Author	Analysis	Potential Impacts	Location	Outside Agency Positions	Recommended Position
			vehicles with the "nongovernment employee" disclosure reflects lesser qualifications or impacts public safety.			
SB 1204	Lara	This bill would create a program to fund the development of zero and near zero emission truck, bus, and off-road vehicle and equipment technologies to be administered by the Air Resources Board in conjunction with the California Energy Commission. The bill would provide that the funding for the program would come out of the Greenhouse Gas Reduction Fund (Cap & Trade Auction Funds), and would prioritize projects located in disadvantaged communities.	This bill may provide a new funding source for Foothill Transit electric and CNG buses.	Senate Committee on Environmental Quality	Metro - Support	Support
SCA 4	Liu	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or increase of an existing tax. SCA 4 and SCA 8 would provide that the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	Senate Committee on Appropriations	CTA - Support	Support Position Adopted 2/22/2013
SCA 8	Corbett	Existing law under the California Constitution requires the approval of 2/3 of the voters of the city, county, or special district voting on any new or increase of an existing tax. SCA 4 and SCA 8 would provide that the imposition, extension or increase of a special tax by a local government for the purpose of providing funding for local transportation projects requires the approval of 55% of its voters voting on the proposition.	The new voter approval threshold could lead to more transportation and transit money and mean additional funding for Foothill Transit.	Senate Committee on Appropriations	CTA - Support	Support Position Adopted 2/22/2013
H.R. 2288	Grimm (R, NY) McGovern (D, MA)	The bill establishes permanent parity between qualified, pre-tax and tax-free fringe transit and parking benefits at a maximum of \$220 per month. At the \$220 per month level, the federal fiscal impact is neutral, meaning no additional revenue measures are necessary. The bill also allows for future cost-of-living adjustments to the benefit level.	Would provide transit riders in general and Foothill Transit customers specifically with a tax benefit equal to those who drive their personal vehicles.	House Committee on Ways & Means	APTA - Support	Support Position Adopted 7/26/2013
H.R. 3636	Blumenauer	Our transportation infrastructure is increasingly outdated and inadequate. In 2011, the Federal Highway Administration (FHA) estimated that over \$70.9 billion worth of repairs are needed merely to maintain safe bridges. Inflation and increased fuel efficiency has led to declining gas tax receipts and the gas tax has lost nearly 40% of its purchasing power since it was last raised in 1993. The decline will continue as cars become more inefficient and people drive less. Vehicle miles traveled per capita declined last year for the ninth year in a row. Because Congress has not addressed the Highway Trust Fund's (HTF) insolvency, the fund will be exhausted this	A consistent, reliable and stable federal funding program would allow Foothill Transit and all U.S. transportation agencies and companies to budget for the long term.	House Committee on Ways and Means	APTA – Supports	Support

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		summer and states will begin cutting back on projects. To maintain current funding levels, the HTF will need \$100 billion in addition to current tax receipts in the next five years. Failure to act will result in a 30% reduction in federal transportation spending over the next decade. H.R. 3636, "The Update, Promote, and Develop America's Transportation Essentials Act of 2013", phases in a fifteen cent gas tax increase over three years, indexes the gas tax to inflation and then confirms Congress's intention to replace the gas tax with a more equitable, stable source of funding by 2024.				
S. 1116	Schumer (D, NY)	The bill would establish parity between the commuter and parking benefits at the current level of \$245 per month, but does not include a provision to offset the cost because the author wants to maintain the benefit at current levels.	Would provide transit riders in general and Foothill Transit customers specifically with a tax benefit equal to those who drive and park their personal vehicles.	Senate Committee on Finance	APTA – Support	Support Position Adopted 7/26/2013